

# Socialist Worker

Kaimahi Whakahuihui



For Workers' Power and International Socialism

\$1

inside

Globalisation, multinationals and nationalism:

Can workers change the world? — centre pages

Winston's budget for the wealthy — back page

No. 34 July 7, 1997

## Seafarers' victory in fight for jobs shows...

# WORKERS CAN WIN!

A SMALL band of seafarers, helped by local watersiders and the Australian Maritime Union, have won some early victories in their fight for jobs.

They've shown what unity and determination can achieve.

They've shown it's possible to take on the Contracts Act and the police — and win!

The seafarers face further battles. If they win these too, it will give a huge boost to the morale of the entire working class of Aotearoa. The profit-hungry bosses and the Coalition govern-

ment will be pushed back.

So it's in the interests of every unionist, every beneficiary, everyone who hates the madness of the market, to support them by all means possible.

The times are changing. There's an angry mood starting to build from below, there's an air of growing confidence among workers.

The seafarers are giving expression to this mood. It's struggles like theirs that can provide a positive focus for all of us.

If they win, we all win! Support them. Their fight is our fight!



★ photo: Catherine Scally

## Support the seafarers! Their fight is our fight!

**"If the state deems our actions to be illegal — so be it!" says Auckland seafarers' secretary.**

Turn to page 7 for report on the seafarers' militant fight for jobs and the solidarity actions of NZ and Australian workers.





# Europe's rulers pressure French premier Jospin

FRANCE'S SOCIALIST Party prime minister, Lionel Jospin, faces growing pressure from big business to abandon his election pledges to cut unemployment and defend welfare.

The Socialist Party is the equivalent of New Zealand's Labour Party.

Europe's rulers lined up against Jospin's call to take measures to tackle unemployment at the recent Euro summit in Amsterdam.

Britain's business paper *Financial Times* laid down the determination of big business to use all its power to force Jospin to put profits before ordinary people.

It demanded Europe's governments protect profits by "attacking public expenditure". And it warned: "Jospin should not expect to get away with a move in the opposite direction."

## Pushed

At the Amsterdam Euro-summit, Jospin was pushed into dropping demands for measures to tackle unemployment, and he agreed to stick by the "stability pact" which cuts public spending.

On Jospin's return to France, Philippe Seguin, the new leader of the RPR (conservative) party, taunted him: "You are going to have to choose between the word you've given to our European partners and the word you've given to your electorate."

Big business was delighted that British Labour Party leader Tony Blair lined up with German conservative prime minister Helmut Kohl against Jospin at Amsterdam.

Blair is hostile to any spending aimed at tackling unemployment, and instead talks of the need for Tory-style "flexible labour" and "deregulation" as the way forward.

But though there is immense pressure on Jospin from bosses and bankers, that's not the only pressure he faces.

Workers' revolts broke France's conservative government and allowed Jospin to win the election last month. Those revolts pushed Jospin to make pledges to

benefit working class people.

So Jospin also now fears workers' reaction if he doesn't honour at least some of those pledges.

## Warning

The twin pressures on his government were shown clearly in Jospin's first speech to France's National Assembly, outlining his programme for government.

He warned that "public finances are in a serious situation" and called for a review of state spending over the next few months.

That meant postponing decisions on key election pledges until later in the year, though Jospin still insisted he would honour his promises.

But there are clear signs many could soon be either abandoned or watered down.

Jospin did, however, have to make some gestures to the pressure from below.

So he honoured a promise to increase the minimum wage – though the 4% rise was much less than unions had hoped for.

He increased child benefits and announced plans for a boost to state house construction.

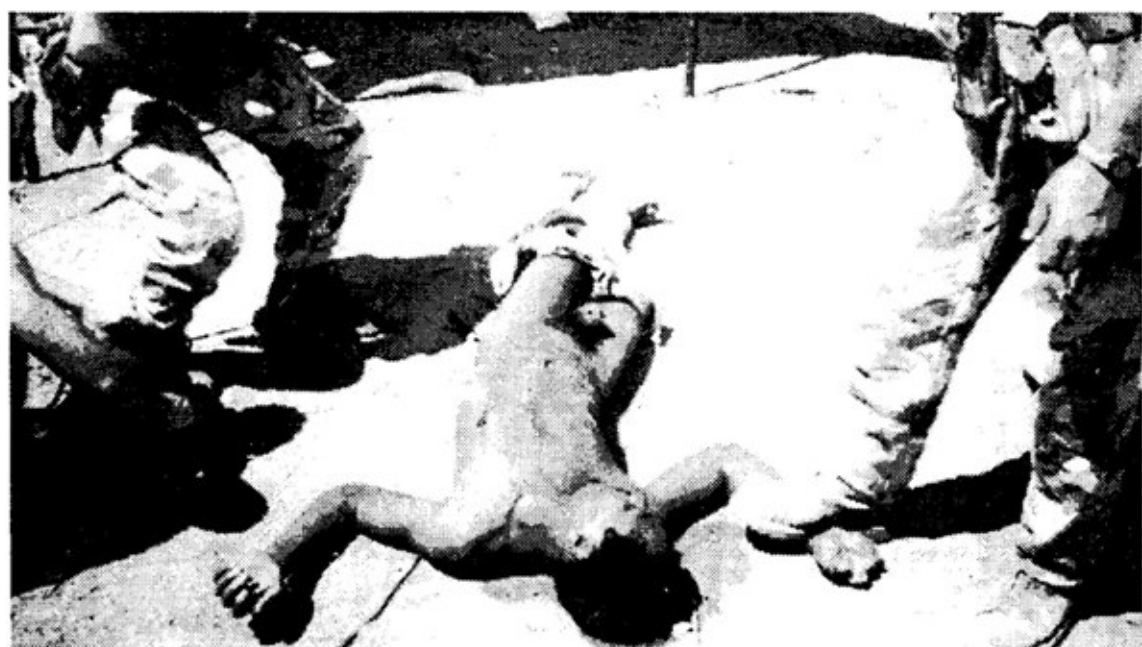
He scrapped a plan to build a new nuclear reactor and announced plans to grant residence papers to up to 40,000 immigrants who'd been declared illegal by the previous government.

## Clear signs

Though such measures are popular, they couldn't hide the clear signs that Jospin's government is likely to crumble before the pressure from Europe's rulers and big business on his central election pledges.

French workers will have to look to their own strength if they're to win any of the real changes they voted for a few weeks ago.

## The true face of United Nations intervention



AN ITALIAN "peacekeeping" soldier applies electrodes to the head and genitals of a Somali while another soldier stands on his wrist to keep him down

## 'Peacekeeping' troops tortured and killed

THE BLOOD and lies behind United Nations "peacekeeping" operations are being exposed by a series of shocking revelations about what happened in Somalia four years ago.

This week three Belgian paratroopers faced a court martial on charges that they'd tortured and murdered Somali civilians, including children.

Claims by the Belgian government that its troops were carrying out an "honourable peace mission" have been shattered by photos of Belgian soldiers roasting a Somali child over a fire.

There's also evidence that a young Somali man was left locked in a metal container in scorching temperatures until he died.

Now the Italian government has been forced to order an atrocities investigation after the publication of photos taken by Michele Patruno, a former Italian soldier in Somalia.

Patruno says that, in addition to the torture shown in the picture above, locals were denied food and water, had the soles of their feet burnt and were hurled against razor wire.

He says at least five Somalis died under torture.

Canadian troops on the UN mission have already been shown to have murdered a Somali who'd crawled

into their camp looking for food. A few days later they captured another and tortured him to death.

Canadian troops videoed beatings and torture of Somalis for their "entertainment".

The UN invasion of Somalia brought terror to the population, not peace.

The UN troops had utter contempt for the Africans they had come to "save". Women were gang-raped and civilians were killed for "fun" and "target practice".

The United States government, which commanded the operation, was determined to show its power to be "policeman of the world". Several US oil companies also hoped to exploit Somali resources.

It was a naked colonial intervention – outside forces imposing their swaggering rule backed by the gun. It was 19th century imperialism intensified by the 20th century's technology of death.

The UN is dominated by the big powers who've got no interest in true freedom or genuine democracy in any part of the world. From the Gulf to Panama to Somalia, outside intervention has failed.

The United Nations is now supporting Italian military intervention in Albania.

It's clearer than ever that UN forces bring horror, not lasting peace.

## TURKEY

## No democracy in this "coup"

THE TURKISH military succeeded in its campaign to drive Islamist prime minister Necmettin Erbakan from office last week.

The army had been making veiled threats of a coup for months against the government headed by Erbakan's Welfare Party.

Senior generals claimed they

were defending Turkey's secular constitution and standing up to "the threat of an Islamic fundamentalist takeover".

But no-one should be fooled that

the army and Turkish president Suleyman Demirel are upholding democracy.

One senior general admitted the real problem with the Welfare Party is not its leaders, who have behaved like previous Right-wing governments, but the party's "radical roots". These are the urban poor who want a redistribution of wealth.

## Clampdown

The pressure on Erbakan's government went hand in hand with a clampdown on the left and on civil liberties campaigners.

The last month has also seen a renewed Turkish military offensive into

northern Iraq against the Kurdish nationalist PKK movement.

There is enormous popular anger at austerity measures alongside the blatant corruption among bosses, top generals and establishment politicians.

The formation of a new government headed by conservative Mesut Yilmaz will do nothing to relieve these pressures.

But some socialist forces in Turkey have mistakenly supported the army's removal of Erbakan.

Such a policy can only strengthen those whose overriding aim is to crush the left, the workers' movement and the struggle for Kurdish rights.

## Socialist Worker

Published every fortnight (except over the summer break) by the Socialist Workers Organisation.

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# Coalition is nasty but weak

**78% of people in NZ now "disapprove" of the Coalition, according to the most recent poll. This is an unprecedented level of opposition to any government.**

And, while polls are notoriously fickle, real-life events mean that things simply aren't going to come right for the Coalition.

The economy is slowing down. Although Treasurer Winston Peters delivered a budget for the rich, the bosses are still moaning loudly because the handouts they got aren't enough to restore profit levels to what they were a year or two ago.

*Instead of blaming the market, the bosses are blaming the Coalition for not cracking down hard enough on the working class.*

So, while the working class is growing angrier than ever with the government, the employers are also roasting the Coalition. This in-fighting inside the ruling class is sapping its self-confidence at the very time that morale is rising inside the working class.

**This two-way crunch is the underlying reason for the splits and confusion within the Coalition – not Tuku's undies.**

Tuku's spending spree at taxpayers' expense is just a pale reflection of the legalised robbery that's always been a way of life for the ruling class. His famous \$89 undies don't even rate in Rod Deane's world. The boss of Telecom has just awarded himself a raise of \$300,000. He now takes home a pay packet of \$1.5 million a year, plus he's got millions worth of shares.

**What's new is the steep rise in the number of people who're questioning and opposing the way things are.**

There is huge resentment at a government which looks after the profits of the rich by axing health, education and welfare.

Most people simply don't accept the dog-eat-dog "values" promoted by the market maniacs in government, Treasury and the employers' organisations. That's shown by the 59% who, ten years after the privatisation of Telecom, told a recent poll that it shouldn't have happened.

Yet the Coalition government is threatening another privatisation blitz. While the budget announced the sale of several smaller state-owned enterprises, the unstated aim was to prepare public opinion to accept the sale of biggies like Solid Energy, NZ Post and Electricorp.

Back in the bad old days of Roger Douglas and Ruth Richardson, however, the Right-wingers wouldn't have hesitated. They wouldn't have worried about preparing public opinion. They would have just privatised at will.

But we're no longer back in the bad old days. Our rulers now lack their old confidence, and they're squabbling among themselves, while at least some sections of workers are feeling more confident.

**That's seen in the rise in union coverage, for the first time in years, on a significant number of jobsites.**

This change in mood could very swiftly shift onto the streets and picket lines. Who knows what could spark off mass actions.

It's already translated into a move to Labour which, for the first time in ages, has overtaken National in recent opinion polls.

**We're moving into politically unstable times. The old Right-wing certainties are on the way out. The Coalition is as nasty as any previous conservative government – but now it's weak.**

Nasty but weak – that sums up the Coalition government. Time is running out for them, and they sense it. So their nastiness is tinged with a hint of desperation. They plough on with their privatisation of state assets and their plans to spend megabucks on the military even though these are fantastically unpopular with the majority.

**We can take on this nasty but weak government and its big business mates.**

There's such an accumulation of dissatisfaction, anger and disillusionment at the grassroots of society that literally any determined struggle could act as a flash point. And we will live to see that day.



**FRENCH PROTEST** against the Nazis. This is just one of many mass actions by French workers over the past two years which have worried the hell out of Right-wing politicians and their capitalist mates.

French workers are at the cutting edge of a rise in workers' confidence all round Europe. As a consequence, the British paper *Socialist Worker* penned this front page headline: "All Europe swings to Left".

The same mood is starting – just starting – to surface in Aotearoa. In this world without boundaries, it will be spurred on here by the quickening class struggle in Europe.

The NZ workers who're just starting to rejoin unions and move Left towards Labour will be the same workers who, at some future point, stand up strong against this profit-driven system which delivers gluttonous riches to the few by making the poor poorer.

## Hypocrite – too nice a word?

**HYPOCRITE.** That's the word that springs to mind when we hear of the Coalition's plans to inflict a "Code of Social Responsibility" onto beneficiaries.

The cabinet looks likely to pass a law stopping the Human Rights Act from applying to the government.

An official report reveals that sexism is rife among well-paid judges, and an epidemic of police

crime is being uncovered. But nothing is done.

*Despite all its talk about "family values", the government is starving the welfare state of funds at the same time as leaning towards giving up to \$3 billion to the military for the warfare state.*

While moaning about the unemployed not wanting to work, the government has directed the Reserve Bank to keep inflation within a narrow band.

This means the bank will dampen down the economy if unemployment looks likely to fall below 5%.

The Coalition screams about not having any money, yet they give tax cuts to the rich and force government spending down to the third lowest level in the OECD.

**Maybe hypocrite is too nice a word for this socially irresponsible government?**

### Protest at new frigate

**10am, Friday July 11 outside the Devonport Naval Base gate.** Timed for arrival of frigate *Te Kaha*.

The Coalition is seriously looking at ordering two more frigates, plus other military purchases, worth a total of \$3 billion.

It's time to say "NO" to this huge waste of taxpayers' money. It should go towards health, education and welfare – not the sinister strategy of military chiefs.

This gives urgency to the protests against the frigate.

## Socialist Worker

NOW THERE'S a new mood of defiance and anger rising up, it's now that we need *Socialist Worker* more than ever.

We bring you news of struggles – and victories – that the mass media ignores, such as the seafarers' pickets (page 7).

We analyse economic and political events from a socialist point of view that gives a real picture of trends shaping our lives – like globalisation (centre pages).

We give hope to everyone who's sick of this rotten system, and we help to build the fightback against the market.

With your support, with your dollars, we will carry on this work.

**Send your donations now**

PO Box 8851, Auckland

## \$5,000 MID-YEAR APPEAL

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### List #1

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**WAIKATO:** R&R \$100

**TIMBERLANDS:** Branch effort \$1,200.

**WELLINGTON:** WHM \$22, Larry \$50, Don \$150, LH \$50, GO \$20. Total \$292

**CHRISTCHURCH:** RB \$21, DK \$8.65, Bill \$2, R \$5, DAJ \$50, CB \$100. Total \$186.65

**DUNEDIN:** RS \$5, KW \$4, PM \$30, AT \$13. Total \$52

**OTHER AREAS:** OF \$200, MT \$10. Total \$210

**TOTAL SO FAR \$3,065**





# Can we Beat the Multinationals?

by GRANT MORGAN

HOW SHOULD we respond to the global power of giant corporations?

That question is at the heart of the debates and actions of all organisations claiming to represent workers in Aotearoa.

It's given rise to a new buzzword – globalisation. Globalisation is another way of saying that a few gigantic industrial and financial firms now dominate the world capitalist system, roaming the planet to squeeze profits from workers in every continent and dictate the policies of national governments.

These multinational companies are huge. The biggest 500 control one-quarter of the world's entire economic output and two-thirds of global trade in goods and services.

The biggest 50 companies alone control 60% of the world's productive capital.

The top 15 – household names like General Motors, IBM, Exxon and Shell – have a combined income greater than 120 of the world's countries.

Just four companies control over 90% of the world's exports of corn, wheat and tea.

No-one elects the people who run these multinationals, yet they take decisions affecting the lives of us all.

Their rallying cry is "free trade" and the "open economy" – but that only means freedom for a super-rich ruling class to concentrate more wealth and power in its own hands.

In the words of a 1996 UN report, "the net worth of the richest 358 people, the dollar billionaires, is equal to the combined income of the poorest 45% of the world's population – 2.3 billion people".

## Defeatist

The huge gap between corporate power and individual powerlessness is the backdrop to the argument that it's hopeless for trade unions and national governments to go against the multinationals.

That's the defeatist message coming from the Labour Party. Even MPs on the Left wing of the Labour caucus insist that it's unrealistic for any New Zealand government to try to "regulate" the multinationals.

Only by adapting ourselves to the "open economy", they argue, can there be the job growth and wealth creation to sustain a programme of "social justice". But this myth has been shattered by real-life experience.

Since 1984, when Labour began the "Rogernomics revolution", unemployment has risen in Aotearoa, real wages have fallen and there's been a massive erosion of health, education and welfare.

15 years of the "open economy" have seen the biggest transfer of wealth from the poor to the rich in the history of Aotearoa.

The foreign multinationals

have profited big-time at the expense of NZ workers – but so have "national" capitalists with a New Zealand passport.

With every passing day, it's becoming harder to separate them. The most consistently profitable firm in this country over recent years has been Fletcher Challenge. It was a "New Zealand" company when it began buying state assets on the cheap and benefiting from the "open economy" in other ways.

Its corporate wealth grew so big and so fast that it didn't just expand its overseas investments, it also registered on offshore stock exchanges and a majority of shareholders are now "foreign" capitalists.

Yet Fletcher Challenge's main base is still in Aotearoa. So is it a "foreign" or a "New Zealand" multinational?

In truth, it doesn't matter. To stay internationally competitive, Fletcher Challenge axed many hundreds of jobs at its Kawerau pulp & paper mill during the time most of its shares were held in Aotearoa. And it continued to slash jobs at Kawerau after foreign capital bought a majority of its shareholding.

During both of these phases, the behaviour of Fletcher Challenge remained the same because it's linked into the world capitalist system. Here, maximum profits is the name of the game, and bankruptcy the fate of those who lag behind.

And, at all times, Fletcher Challenge has relied on the New Zealand state to advance and protect its interests. Company managers are "seconded" to the Prime Minister's Department and other organs of the state. Treasury has a cosy relationship with the Business Roundtable, to which Fletcher Challenge belongs.

## Nationalism

None of this changed when Fletcher Challenge changed from being a "national" to a



"AOTEAROA CANT survive without Kiwi ships" – at first glance, it looks like a nationalistic picket on the seafarers' picket (Auckland, July 1). Yet the Seafarers Union has a proud record of supporting other workers' struggles, both here and overseas.

For instance, they've collected \$50,000 for the locked-out Liverpool dockers, and they helped Auckland chemical workers win a recent dispute by refusing to allow scab

products to be loaded. This is a union that's very class conscious – so why the placards that could be read as though the owners of "Kiwi ships" were a better class of capitalists than "foreign" bosses? Throughout the labour movement there's a need for more debate on globalisation, the multinationals and nationalism, so that all workers know why we must be internationalists.

■ Photo: Catherine Scally

"foreign" multinational.

Yet whole sections of the Left in Aotearoa are leaning towards nationalism as a response to globalisation.

The Alliance's last alternative budget demanded that "incoming overseas investment meets national interest criteria".

This is echoed by prominent union official Bill Andersen, who defends "our national interests" against the "greed of the global corporations and their local agencies".

But how can workers have a "national interest" when that means having to unite with "New Zealand" capitalists who're screwing us just like foreign multinationals?

All talk of a "national interest" hinders workers from uniting as a class against ALL capitalists, including "local" employers who play by the same rules of the global marketplace as do the foreign multinationals.

In 1991, when a majority of Fletcher Challenge shares were still in New Zealand hands, a secret management plan was drafted which aimed

for the "deunionisation" of the Kawerau mill.

Now that Fletcher Challenge is majority foreign owned, management is trying to get workers to identify with the company through membership of "teams", rather than with their fellow workers through membership of the union.

The method has changed, but the company's aim is the same – to destroy the union.

## Weak spot

Both Kiwi capitalists and foreign multinationals hate unions because of their potential to unleash workers' power.

They know, even if the Labour Party doesn't, that workers' power is a real threat to the class privileges of all employers.

The very concentration and globalisation of capital that makes the multinationals look so strong is in fact their weak spot.

When so much wealth is tied up in bigger but fewer plants, mines and ships which are locked into a system of global production, then strikes at any point in the international chain

causes massive damage to bosses' profits.

This gives real power to even small groups of workers – if they're prepared to fight and if they're supported by other workers.

100 seafarers in Auckland, threatened by job losses, threw up an illegal picket on July 1 against the Norwegian shipper Wilhelmsen. Faced with a determined band of seafarers who were supported by local watersiders and Australian maritime workers, this corporate giant had to concede total defeat.

The rising tide of workers' struggles around the world has won significant gains in recent times against the corporate giants and their governments in France, South Korea, Greece, America and other countries.

The corporate power of the multinationals CAN be beaten by the collective power of the workers.

That's the lesson we've got to take out to workers – not the "doom & gloom" message of the Labour Party and the "national interest" confusion of the Alliance. □

## International law for the rich threatens world's workers

A TREATY to give multinationals the power to buy, sell and trade anything at will in signatory countries is under secret negotiation by governments of the world's industrialised nations.

A draft of the Multilateral Agreement on Investments (MAI) is now being considered by the cabinets of the 29-member Organisation for Economic Cooperation & Development.

The OECD is commonly known as the "rich nations' club". Its powerbroker is the United States, and Bill Clinton's White House is the driving force behind the MAI.

Other countries in the OECD include Germany, France, Japan and Britain as well as New Zealand.

It looks as if the New Zealand government will sign up to the MAI. If so, the MAI will be enforced by New Zealand's courts just like a domestic law.

Of the world's top 500 corporations, 477 (95%) have their home base in OECD countries.

American government officials negotiating the MAI have said their main aim is to "protect US investors abroad".

The draft MAI contains new global rules for capital investment that give multinationals the freedom to go anywhere and do anything without any government intervention or regulation.

There's certainly nothing new about corporations having political rights. Indeed, in capitalism's early days, most countries gave corporations legal rights to "personhood" before women and tangata whenua.

In recent decades, the rights and powers of multinationals have been expanded through "free trade" regimes like the World Trade Organisation, North American Free Trade Agreement and the Common Economic Relationship between Australia and New Zealand.

The MAI accelerates this trend. If enacted, it will give a considerable boost to the legal powers of international capital.

The Canadian globalisation analyst who first leaked the MAI, Tony Clarke, says it will "empower" the multinationals "through a set of global investment rules designed to impose tight restrictions on what national governments can and cannot do in regulating their economies".

"The ability of governments," says Clarke, "to use investment policy as a tool to promote social, economic and environmental objectives will be forbidden under the MAI".

## Key proposals:

■ Corporations are given a legal status at least equal to national governments, and in some instances higher.

■ Corporations can sue governments under a binding investor-state dispute settlement mechanism.

■ Governments are forbidden to sue corporations for damages on behalf of their citizens.

■ Governments must give foreign investors "equality of competitive opportunity" to local companies.

■ Governments are forbidden to restrict the free flow of capital and profits.

■ Foreign as well as local capital must be allowed to bid for state assets being sold by governments.

■ State-owned enterprises must put profits first and act "solely in accordance with commercial considerations".

■ Any national laws which don't conform with the MAI are to be reduced and eventually eliminated.

■ Governments cannot introduce any laws or policies which contradict the MAI.

■ Any "liberalisation measures" (such as the sale of state assets) must be "locked in" so they can't be undone.

■ Bans, sanctions or embargoes that restrict investment in countries violating human rights are illegal.

■ Governments wishing to withdraw from the MAI are locked into its provisions for a 20-year period.

## Favourable climate

The MAI doesn't do away with the role of national governments. Just the opposite. It increases state power – so long as it's used solely to provide a favourable investment climate for international capital.

Even more than now, political power will be focused on serving the "rights" of rich investors at the expense of the rights of the working class.

This was spelt out by the main big business lobby behind the MAI, the US Council for International Business (USCIB), in a letter warning the Clinton administration from incorporating even minimal "protections" for workers and the environment.

"The MAI is an agreement by governments to protect international investors and their investments and to liberalise investment regimes," the USCIB's president told senior American officials on 21.3.97. "We will oppose any and all measures to create or even imply binding obligations for governments or business related to environment or labour."

Clearly, the MAI has massive implications for us all. Yet it's had no official government disclosure and almost no public debate.

That's because it's a treaty initiated by US big business, endorsed by the ruling classes of the OECD and promoted by capitalist governments which is designed to tip the scales even more in favour of the wealthy elite at the expense of most of the world's people.

The fat cats know that, if there was freedom of information and open debate about the MAI and a democratic referendum in each country, the treaty would be thrown out by an enraged majority.

The final draft of the MAI is due out towards the end of this year.

We have the best part of six months to inform everyone of its implications and to build up a climate of opinion against this international law for the rich. □

## NZ government backs secretive treaty

NEW ZEALAND'S Coalition cabinet has been considering the draft Multilateral Agreement on Investments (MAI) behind closed doors for the last five months.

A few weeks ago, Jim Anderton leaked cabinet papers on the MAI and said it was "sinister" and a "recipe for open slaughter foreign investment".

It means that if New Zealand suffers a massive balance of payments crisis we won't be able to prevent the collapse of our dollar because we would not be able to introduce controls on the flight of foreign capital," declared the Alliance leader.

Jim Bolger slammed Anderton as "loopy", while Winston Peters called him "off the planet".

The prime minister told Parliament that Anderton was peddling a "bogus argument".

If the government signed the MAI, said Bolger, it would reserve the right to continue with current

overseas investment rules, including the right to decline foreign investment that wasn't "in the national interest".

But the prime minister's claim is contradicted by the MAI's "rollback clauses".

Any regulatory measures which don't conform with the principles and conditions of the MAI are to be reduced and eventually eliminated under these rollback clauses.

The reaction of Bolger and Peters indicates that the government will endorse the draft MAI. This is consistent with their support for the "open economy" so loved by the multinationals.

It's not certain if the Coalition will put the MAI to a vote in Parliament, or whether only cabinet will get a say.

If it goes to Parliament, the Coalition is bound to get support from Act's eight MPs who are fanatical Right-wingers committed to "free trade".

Because the Labour Party defends the "open economy", what stance it will take on the MAI is unclear.

At the moment, the Alliance is the only party in Parliament opposing the MAI.

"It means that foreigners could buy everything," said Anderton, "and there is nothing New Zealanders would be able to do about it."

Unfortunately, by suggesting that ALL "New Zealanders" – regardless of whether they're rich or poor – have a common stake in opposing "foreigners", the Alliance leader is suggesting that only FOREIGN capital is the problem.

In fact, local employers exploit local workers just as fiercely as offshore companies in their rivalry for maximum profits.

What we've got to do is build a working class movement against a ruling class initiative to increase capital's power over labour. □

## Setting the Agenda

IN BRITAIN'S respected paper *The Guardian*, environmental editor John Vidal wrote this about the multinationals:

Corporations now set the agenda for the European Union, the North American Free Trade Area, the World Trade Organisation and the Asian "tiger" economies. Their executives fill the advisory committees of the global bodies which sit in secrecy, they advise the national politicians, they unsparingly lobby the parliamentarians and the policy makers, and have easy access to every level of government machinery. And, with next to no social remit, they set an agenda designed purely to maximise the financial return for the few. □

## Workers' power is the answer

OVERSEAS THERE is a rise in workers' struggles and a move to the Left which the bosses were worried.

In what the media dubbed as "the first Eurostrike", workers in car plants across Europe downed tools last March in solidarity with the workers at Renault's Vilvoorde plant in Belgium, who were occupying their factory to stop it closing.

This showed that workers are as capable of organising across national borders as the multinationals.

A series of mass strikes by South Korean workers a few months ago forced the government to soften an anti-union law.

The Korean workers rejected the argument that they had to accept the new law to remain "internationally competitive" – the same claim used to justify New Zealand's Employment Contracts Act.

In December 1995, state sector workers in France walked out en masse and derailed the government's "more market" austerity plans – the equivalent of the "Rogernomics revolution" in Aotearoa.

A year later, French truckers blocked roads and won pay rises, improved super and a shorter working week. More recently, huge numbers have rallied against Le Pen's Nazis.

This has led to a rise in workers' confidence in France which has spilled over into Britain and other countries.

A mood of change has fuelled the recent huge electoral swings away from the Right towards the Socialist Party in France and the Labour Party in Britain (both equivalent to the New Zealand Labour Party).

These two reformist Left governments are under tremendous pressure from the ruling class to be "responsible" administrators of capitalism.

Because they've accepted the "logic" of the market, they're already starting to bend to what the bosses and bankers want.

But the wave of workers' strikes that swept France over the last two years and sank the Right shows the potential power that can also beat the betrayals of the reformist Left. □

## GLOBAL SOLIDARITY

WORKERS OF all countries, unite! We have nothing to lose but our chains! We have a world to win!

That was the rallying cry of the *Communist Manifesto*, written in 1848 when workers made up only a tiny minority of the earth's population.

Now workers are the overwhelming majority of the industrialised world and are expanding rapidly in numbers elsewhere.

Workers of all countries, unite! This call to international solidarity is now a vital necessity to successfully fight the power of international capital.

Recent examples of practical solidarity between workers of different countries include: • the first Eurostrike to support Belgian car workers • global support for locked-out Liverpool dockers • Australian maritime workers help New Zealand seafarers beat cross-trader.

The trend towards more international workers' solidarity finds a reflection in recent union conferences.

The union organisations of countries in the Indian Ocean region met last February in Calcutta. They issued this statement:

"This conference has focused on strategies for ACTION in our region that can be implemented to counter the forces of globalisation in the region."

"Multinational capital confronts the union movement with new challenges that require regional and international cooperation across national borders to defend working people, democratic rights, social needs and the environment from the demands of maximum profit."

"The focus of the conference has been on improved communication and coordination, strategies that enable the development of stronger networks, the organisation of campaigns and supportive action for working class struggle."

And here in Aotearoa, the Wood Industries Union has been organising trans-Tasman meetings of CHH job delegates with its sister union in Australia over the past year.

The two unions want to build a common strategy against CHH, owned by International Paper of America, and hopefully reach out to US workers.

These are positive moves. They flag the way forward. They give a taste of what is possible when – workers of the world unite!

## What socialists say about...

### Cloning – is science going too far?

THE CLONING of animals – Dolly the sheep and a pair of monkeys – has caused a stir in the media recently.

Apocalyptic scenarios of a "brave new world" where a Hitler-like master race endlessly duplicates itself or the fantasy of reproducing famous individuals have hidden the nature of the scientific breakthrough.

To get beyond the media hype, it's necessary to understand exactly what the scientists who have created Dolly have done.

The reproduction of animals normally involves the mixing of the genes of both parents. These genes create the framework in which the animal grows.

The cloned sheep, however, are given the complete set of genes of only one parent. This makes the clones identical in the same way as human identical twins are to each other.

The technique can have positive uses. One example is to produce blood clotting proteins which human haemophiliacs need to stay alive.

Dr Ian Wilmut, who headed the scientific team which developed Dolly, said: "What this will be mostly used for is to produce more health care products. It will enable us to study genetic diseases for which there is presently no cure."

Much of the debate has centred on the possibility and ethics of whether such a technique could one day be used to clone human beings.

Any such possibility is a long way off. A vast amount of scientific research would be needed, even if it were allowed.

It's by no means certain that it would work for humans. For instance, it's proved impossible to clone mice in the same way as sheep.

## Differences

No-one knows exactly why, though it's connected with differences in the development of embryos.

Even if it ever proved possible in principle to create human clones, and if this was ever then done, it wouldn't lead to the kind of fantasies the media talks about.

Simply because two people share the same genes doesn't make them the same people.

Identical twins are clones, but they don't even always

look the same and are certainly quite different people.

Genes are only one part of what makes us the people we are. Many other factors – physical, social and environmental – are also crucial.

So the fantasy of some ruler creating endless versions of themselves is just that – a fantasy which could never be realised.

Genes can be made immortal, but people and their personalities can't be. Genes play an important role in governing what people turn out like, but so does the environment.

And the older someone is, the more environmental influence they have had. This is why identical twins who can't be told apart in childhood can be very different 20 or 30 years later.

## Hitler

In the same way, a clone of, say, Mozart wouldn't have been Mozart and could well have been useless at music. A clone of Hitler could have turned out to be a socialist.

The real problem with cloning, as with all science in this society, is who controls it and for what purpose.

Under capitalism, business decides what research gets done. It also distorts the way the results of research are used and applied.

This is true of cloning. It's even more so with wider genetic research.

There's been a lot of comment recently about genetically modified crops, such as soya beans and maize.

In principle, there's much in this which could be of real benefit. All food crops are genetically modified anyway by selective breeding in the first place.

One corporation, the US agribusiness giant Monsanto, has genetically altered soya bean seeds which it sells to farmers.

But instead of making the plants pest-resistant (which it could potentially do) it makes them resistant to the pesticide it also sells.

So research which could and should bring enormous benefit to humans is all too often distorted by people whose only concern is profit.

The answer is to fight for a society in which human need, not commercial profit, becomes the driving force of science.

■ Paul McGarr



# Changing times, changing mood

by DON FRANKS and GRANT MORGAN

**WORKERS CELEBRATED** when Muldoon's hated National government was dumped in 1984.

The Labour Party romped into office with a landslide majority. Workers' expectations were high.

But, six years later, only the bosses were celebrating. Labour was tossed out in 1990 amidst a tidal wave of workers' disgust and anger.

Labour had used its time in government to help the rich by hammering its working class supporters.

The right to strike was restricted. State assets were privatised. Unemployment soared and wages slumped. Taxes were cut for the wealthy. The welfare state was downsized.

This whole anti-worker package became known to history as Rogernomics, named after Roger Douglas, minister of finance for most of Labour's time in office.

It was all depressingly similar to what Thatcher in Britain and Reagan in America were doing. But there was one important difference.

While it was the open political representatives of the bosses who unleashed the "New Right" offensive in Britain and America, it was a party that traditionally rested on workers' support that did so in Aotearoa.

## Rogernomics

Some still think that, if Labour had nominated a more kindly person than Roger Douglas as minister of finance, the working class would have been spared these government attacks.

But greater forces were at work than the personality of one cabinet minister.

Rogernomics was the calculated response of New Zealand's ruling class to the economic crisis which began in the mid-1970s.

Following the Second World War, world capitalism enjoyed a "long boom", the likes of which had never been seen before. New Zealand's economic growth averaged 4.67% a year.

From 1974 to 1987, however, growth slumped to just 0.59% a year. Inflation and unemployment took off while New Zealand's terms of trade fell.

Most worrying of all for the ruling class was the slump in the levels of profitability of NZ business.

Because Labour saw its role as managing capitalism, it was ready to do whatever was needed to restore the profitability of NZ business. It was to this end that all the policies of Rogernomics were directed.

Rogernomics was based on the economic blueprint of the "Top

Tier Group", comprising the Employers Federation, Chambers of Commerce, Manufacturers Federation, Federated Farmers and Retailers Federation.

It was secretly formed into policy by a group of Labour's leading MPs and kept hidden until after the 1984 election.

The secrecy was absolutely essential to Labour's electoral strategy. If workers had known what Labour's ruling faction had in store for them, there would have been an almighty backlash.

## Anti-worker

Labour's programme was anti-worker to the core. Labour sold billions of state assets at firesale prices. The rich were given their biggest-ever single handout in the country's history when top tax rates were slashed from 66% to just 33%. Company taxes were likewise cut, while GST cut into workers' living standards every time they made the smallest purchase of necessities.

The new limitations on the right to strike restricted workers' ability to fight back. Real wages declined by as much as 10%. Unemployment doubled from 8.5% to 16.2%. Welfare benefits were reduced, and the dole for those under 18 was abolished.

Workers were at first bewildered by these attacks, then they got furious with the Labour government. But they were unable to mount an effective counter-attack, for several reasons.

For a start, Labour was very aware that its policies would be widely unpopular, so it rushed in its harsh measures as fast as possible, springing a series of surprise attacks on the working class.

Roger Douglas described his "blitzkrieg" method in his book *Unfinished Business*:

"Do not try to advance a step at a time. Define your objectives clearly and move towards them in quantum leaps. Otherwise the interest groups will have time to mobilise and drag you down... Speed is essential. It is almost impossible to go too fast... Once you build the momentum, don't let it stop rolling... The fire of opponents is much less accurate if they have to shoot at a rapidly moving target... If [public] confidence starts to waver, push the reform programme forward the next big step, and do it quickly."

A second factor behind Labour's ability to impose Rogernomics was the fact that it was inflicted by a party claiming to be the traditional defender of the working class.

Because of the close links between Labour and the top union hierarchy, union officials were at best slow to protest against Rogernomics, and sometimes defended these Right-wing policies.

Instead of organising a united fightback, the leadership of the Council of Trade Unions preached that the only "realistic" course was for workers to make sacrifices "in the national interest".

In 1988, CTU leaders began to promote a "compact" with the Labour government - friendly co-operation with the cabinet ministers who'd been kicking the workers in exchange for a few meaningless phrases about the CTU being "consulted" over policy-making.

The idea of a compact aroused lots of opposition among unionists. Although passed at top level, it proved to be a dead letter.

There were scattered protests, some of them big, against Rogernomics. But workers' anger was unfocused and lacked central leadership. There was no organisation on the Left commanding enough mass support that could lead a fightback against the Labour government's anti-worker juggernaut.

The result of this weakness on the Left was that workers' hatred of Labour's betrayals didn't result in a shift to the Left. While Labour was trashed in the 1990 election, the outcome was a National government eager to carry on where Labour had left off.

## Unions smashed

Workers' organisation, worn down and weakened by Rogernomics, was delivered a body blow by National in the form of the Employment Contracts legislation.

This was drafted by the Employers Federation, and outlawed virtually all strikes except after the expiry of a contract, imposed harsh penalties for illegal strikes, torpedoed multi-employer contracts, restricted the access of union officials to jobsites and wiped out the legal status of unions.

Workers saw the threat posed by this anti-union bill. In the biggest protest wave in New Zealand's history, 300,000 workers (one in five of the total workforce) took to the streets. Many went on strike, some against the wishes of their union officials.

But the avalanche of calls for a General Strike to "kill the bill" was ignored by the CTU's executive. They took the line that National's legislation could only be "opposed", not defeated, and early on declared: "Workers will have to work within the Act."

Workers paid a high price for the CTU's failure to give fighting leadership. CTU economist Peter Harris estimates that \$2.8 billion was transferred away from wages and salaries and into profits between 1991-95. In the same period, the purchasing power of wages fell by an average of 4.1%, yet the economy grew by 17% and business profits soared by 30%.

There was a massive slump in workers' confidence as well as in union membership, which fell by close to 50%.

The defeat of the union movement opened the way to benefit reductions of 10% and more, cuts in health and education spending, market rents for state houses and a proliferation of casualised, low-paid, non-union jobs.

Despite a recovery in profits in 1992, there was no "trickle down". It has been a flood up - a bonanza

for the rich at the expense of the vast majority. The continued downsizing of the welfare state produced record budget surpluses, which were siphoned off into further tax cuts for the rich.

There were struggles in the four years following the passage of the Contracts Act in 1991, but they were few in number and didn't spark a wider fightback. The number of strikes fell to a record low.

It was a gloomy time for workers, who mostly tended to keep their heads down and just hope they still had a job tomorrow as the unemployed queues grew longer.

It's no wonder that, during these years, New Zealand found itself a world leader in the number of suicides per head of population.

But not all New Zealanders were downcast. Prime minister Jim Bolger summed up the happiness of the wealthy few when he described the period as "the golden decade".

## Rising confidence

Fortunately for our side, the bosses' "decade" couldn't last forever. Recent events indicate that workers are becoming more confident about challenging the Right-wing politics that have ruled supreme in Aotearoa since 1984.

It's important to neither overstate nor understate the beginnings of this move to the Left. It's still partial, uneven and hesitant - but there are strong signs that it's starting to happen. These signs include:

■ **Workers are joining unions** on a significant number of jobsites for the first time in years. While a lot of unions are still suffering a downturn in membership, usually this is due to closures and layoffs caused by the economic slowdown and new technology, rather than workers' indifference to unions. The return to unions in some workplaces is far from universal, but it's the start of a reversal of the downwards trend that followed the Contracts Act.

■ **There was a marked rise in the number of strikes in 1996**, which followed 18 months' more gradual increase in union struggles. Last year's strikes delivered an average pay rise of 3.8%, the highest since 1991. So far this year, the number of strikes has tailed off, but partly that's because some (although far from all) employers are settling early for close to what the unions are asking. That indicates these bosses are sensing the rise in workers' confidence. Workers are becoming less concerned about whether or not their actions are illegal under the Contracts Act, and are more often winning victories. (For example, see articles about seafarers' pickets - page 7.)

■ **There is a huge amount of hostility towards the Coalition** and its Right-wing policies. Opinion polls show an unprecedented 78% of people now "disapprove" of the government. This stunning level of dissatisfaction has little to do with the well-publicised antics of Coalition MPs, since most of those polled cited reasons like "broken promises" and "economic policies". And 46% of people think the country is "heading in the wrong direction", which is an open rejection of the government's "more market" policies. This wide-

spread hostility to the market is at least partly responsible for the cracks in the Coalition.

■ **Labour has overtaken National** in the last four public opinion polls. This is not a sign that workers want a return to Rogernomics. Since being chucked out of office Labour has distanced itself from Rogernomics, in words at least. It now promotes "social justice" and favours a coalition with the Alliance. However, it remains a party committed to managing capitalism. Labour claims that social justice can only be obtained through "market economics" even though it's the market which causes massive injustice. But when many tens of thousands of people who previously voted for either the openly pro-business National Party or its offside NZ First shift towards Labour, then clearly they're moving Left towards a party more associated with "social justice" and the trade unions.

At the start of any mass Leftwards trend, the first recipient is always the party closest to where most people are coming from - in this case, Labour.

## Contradictions

But Labour's contradictory support of "social justice" and "market economics" cannot long satisfy workers wanting a reversal of the damage that's been inflicted on them over the last 15 years by advocates of the market.

If the move to the Left continues to flow - and, since it's still in its early days, there's no certainties - then we can expect an upturn in mass actions at some stage and a large slice of workers going past Labour and looking for a more radical alternative.

Times are changing, and for the better.

## Socialist Workers Organisation meetings - all welcome

### Auckland

Meets every Tuesday at 7.30pm at the Socialist Centre, 86 Princes St, Onehunga. Phone 634 3984 or write to Box 8851, Auckland.

Socialist Worker Students Club meets every Monday, Cultural Space (top floor, above University Book Shop) at 12pm

### Timberlands

Meets every second Wednesday of each month at 7pm at Apumoana marae, Tarawera Rd. Phone Bernie 345 9853

### Wellington

Meets every Wednesday at 7.30 pm in the meeting hall behind St Peters Church, corner Ghuznee & Willis St. Phone Gordon 564 3270

### Christchurch

Meets every second Thursday at 7.30 pm at the WEA, 59 Gloucester St. Phone Roy 3844 681

Thursday 17 July, Learning our place - education under capitalism

### Australia

International Socialists at PO Box A338, Sydney South, ph 261 4862.

The Socialist Workers Organisation also has members and supporters in North Shore, Hamilton, Paeroa, Napier, Kawerau, Raglan, Palmerston North, Timaru, Dunedin and the West Coast. They can be contacted via the Socialist Centre in Auckland (09) 634 3984.

## join the socialists!

☐ I want to join the Socialist Workers Organisation

☐ I want more information about membership

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone \_\_\_\_\_

Union/campus \_\_\_\_\_

Send to: SWO, PO Box 8851, Auckland





#### Socialism

Capitalism is a system of exploitation which generates inequality, crisis and war.

Although workers create society's wealth, it is controlled by the ruling class for its own selfish ends.

Socialism can only be built when the working class takes control of social wealth and democratically plans its production and distribution to meet human needs, not private profits. This will eliminate all class divisions in society.

Stalinist countries such as China and Cuba, just like the former Soviet Union and the Eastern bloc, have nothing to do with socialism. They are state capitalist. We support the struggles of workers against every dictatorial stalinist ruling class.

#### Revolution not reformism

The present system cannot be reformed to end exploitation and oppression, contrary to what Alliance, Labour and union leaders claim. It must be overthrown by the working class.

Capitalism's parliament, army, police and judiciary protect the ruling class. These institutions cannot be taken over and used by the working class.

To pave the way to socialism the working class needs a new kind of state – a democratic workers state based on workers councils and workers militia.

#### Internationalism

Workers in every country are exploited by capitalism, so the struggle for socialism is global.

We campaign for solidarity with workers in other countries. We fight racism and imperialism. We oppose all immigration controls. We support all genuine national liberation struggles.

We are internationalists because socialism depends on spreading working class revolutions around the world.

#### Liberation from oppression

We fight for democratic rights. We oppose the oppression of women, Maori, Pacific Islanders, lesbians and gays.

All forms of oppression are used to divide the working class.

We support the right of all oppressed groups to organise for their own defence. Their liberation is essential to socialist revolution and impossible without it.

#### Tino rangatiratanga

We support the struggle for Maori self determination.

The government's approach to Treaty claims has benefited a Maori elite while doing little for working class Maori.

Tino rangatiratanga cannot be achieved within capitalism. It will only become a reality with the establishment of a workers state.

#### Revolutionary party

To achieve socialism the most militant sections of the working class have to be organised into a mass revolutionary socialist party.

We are in the early stages of building such a party through involvement in the day-to-day struggles of workers and the oppressed.

The Socialist Workers Organisation must grow in size and influence to provide leadership in the struggle for working class self-emancipation.

We need to revitalise the unions with a rank-and-file movement.

If you like our ideas and want to fight for socialism, then join us.

## Auckland and Tauranga waterfront

# Workers' solidarity key to seafarers' victory

**A GREAT victory. That was the end result after seafarers put three pickets on ships in Auckland and Tauranga.**

The issue was job protection. There is a long-standing union accord between the maritime workers of Australia and Aotearoa which has protected their jobs on the trans-Tasman route.

But recently international crosstraders, often with low-paid and non-union crews, have been breaching the union accord by picking up containers on one side of the Tasman and dropping them on the other side in the course of a longer voyage.

Half of New Zealand's seafarers depend on the trans-Tasman route for their livelihoods.

*So the Seafarers Union had no choice – it had to fight, and fight hard.*

The opening round took place a couple of weeks ago at Tauranga. A PIL crosstrader, the *Kotu Hata*, was confronted by a picket of 15 seafarers – a 100% turnout by the off-duty seafarers in port at the time.

The police arrived in strength, easily outnumbering the picketers, and started shoving them away. Some watersiders refused to cross the picket even after the police had cleared the way.

But then watersiders were shepherded to the *Kotu Hata* by another route, out of sight of the seafarers. Only through police action was the ship worked.

But this defeat fueled intense debate between watersiders and seafarers. As a result of these workers' discussions, the watersiders resolved to respect any future seafarers' pickets, even if the police broke them up.



"WE'VE WON" – seafarers official Garry Parsloe tells picketers the good news

★ photo: Catherine Scally

This grassroots solidarity decision was especially significant because 75% of the watersiders at Tauranga are non-union.

The watersiders were as good as their word. A week later another PIL vessel, the *Silver Dawn*, was stuck up at Tauranga by a seafarers' picket – which the watersiders refused to cross.

This act of solidarity has bonded seafarers and watersiders closer together, and raised the level of class consciousness in the port.

The picket was maintained for 24 hours. Adding delays due to the tides and weather, the vessel was held up for two days, costing PIL heaps in extra port charges and disruption of delivery schedules.

As a consequence, PIL has offered the union a temporary halt to its trans-Tasman crosstrading as they see what happens to other crosstraders.

*The Seafarers Union has rejected PIL's proposal as inadequate, and further direct action against the company looks likely.*

On June 30, 100 Auckland seafarers (supported by a contingent from the Socialist Workers Organisation) threw up a picket against the crosstrader *Talabet*, owned by the Norwegian line Wilhelmsen.

### what we think

**THE PICKET against the crosstrader Wilhelmsen, put on by seafarers and backed by watersiders, flew in the face of everything the Contracts Act stands for.**

**Even if, for tactical reasons, the Seafarers Union wouldn't want to say it was unlawful, the picket at least occupied a very grey area between legality and illegality.**

**In the words of seafarers' official Garry Parsloe: "If the state deems our actions to be illegal – so be it!"**

**Even if the Contracts Act remains on the books, when workers ignore this anti-union law and unite against the bosses then it's not worth the paper it's written on.**

**No law can stand in the face of mass defiance. Actions like this start to turn the Contracts Act into a dead letter.**

## Kindergartens

THE FIRST kindergarten pay talks held since teachers were removed from State Sector Act coverage have failed to get anywhere.

Teachers, aiming for pay parity with their primary school colleagues, asked for a 17% rise, while regional kindergarten associations came up with a lousy offer of less than 1%.

Union official Linda Mitchell said teachers were "livid" as employers had got a 5% funding boost.

## Hutt Polytech

TUTORS AT Lower Hutt Polytech plan to strike on July 8 over pay claims.

In the meantime they've been working to rule.

Management's offer of 7% over three years would be the lowest made to polytech academic staff in the country, said union president Iris Hutchinson.

Most other polytechs had agreed to at least 12%, she said.

## Refused

Incredibly, the port was then closed by bad weather. It wasn't until the following morning that the *Talabet* could berth, when it was met with a picket of 15 seafarers.

**The watersiders refused to cross the picket.**

Despite the small numbers on the picket, Ports of Auckland management didn't call the cops. They feared that disruption could spread through the whole port, which at the time was chocker with vessels.

Wilhelmsen's manager was informed that, if the *Talabet* sailed with "black" cargo, the Maritime Union of Australia would take action against the vessel on the other side of the Tasman.

The manager then pledged that Wilhelmsen vessels would not crosstrade between Auckland-Sydney-Melbourne, and would discuss with the union any trade to Brisbane and Fremantle.

**Auckland seafarers' secretary Garry Parsloe told *Socialist Worker* that the support of local watersiders and the Australian union was "critical" in getting Wilhelmsen to back down.**

"This is an important victory in our union's fight for seafarers' jobs," he said.

Regardless of the legal restrictions of the Employment Contracts Act, Parsloe declared, workers have to take action to defend jobs and conditions.

**"If the state deems our actions to be illegal – so be it!"**

## Wellington water

70 PEOPLE attended a meeting on June 22 to protest moves to privatise Wellington's water. They will organise further research, build support and pressure the council.

## Radio NZ

RADIO NZ staff who belong to the PSA took strike action on Budget Day after a breakdown in talks over the length of their contract.

## Athena Products

STAFF AT Auckland manufacturer Athena Products walked out for a day on June 24. They were opposing pressure to increase their week by four hours. They also want more pay.

## State rent rises

HUNDREDS OF distressed and angry Housing NZ tenants packed Auckland meetings to protest the end of the rent freeze on July 1.

The three-year freeze originally promised by NZ First leader Winston Peters had been lifted after only six months, and had benefited only 15,500 of HNZ's 66,000 tenants.

Six suburban meetings were organised by the Labour and Alliance parties and housing groups.

*They were far better attended than in past years, attracting an average of 200 to each meeting. This shows the rising mood against the Coalition's policies.*

Mangere People's Centre manager Catherine Manning said overcrowding was a growing problem for her clients. "It's common for us to see people living out of their cars now."

Labour leader Helen Clark said a lack of affordable housing was destroying families.

"The government is talking about a code of responsibility for beneficiaries. I say, what about a code of government responsibility?"

**Figures obtained by Clark show the average HNZ rent rise in Central Auckland since 1991 is 223%.**

Alliance leader Jim Anderton said that 15,458 HNZ tenants would have their rents increased from July 1.

"In none of these cases will the accommodation supplement increase as much as the rent increases because the supplement only covers a maximum of 70% of the rent."

In Auckland, Anderton noted, the supplement would rise by \$25 a week, but rent for 5,600 HNZ tenants would go up by more than \$30 a week.

The heartlessness of the government can be judged by the Treasurer's reaction to Labour and Alliance MPs visiting a caravan park and soup kitchens for the homeless and poor.

*Peters dismissed these visits as "stylised nonsense with no substance".*

Marama Nathan lives in a caravan park. She moved out of her HNZ home in Otara because she's unemployed and couldn't afford the rent. "The budget has nothing in it for us."

Many of the HNZ houses that lie empty after tenants have been priced out of them are being sold.

**Labour's housing rep Graham Kelly said the sell-off was going at a rate of one every three hours.**

Kelly has introduced a private member's bill into parliament called the Housing Responsibility Bill. He wants people to support it by supplying him with details of their housing problems.

At the meetings, Opposition MPs were asked if they'd support SHAC's partial rent strike, which is the only immediate option open to HNZ tenants who can't afford to pay the rent.

*Labour MPs said they couldn't advocate such action, but would help tenants to receive all their entitlements at Income Support.*

### Socialist Worker welcomes your

## letters

Post to Box 8851, Auckland; fax (09) 634 3984

• Please include address or phone number to verify authorship and keep to under 200 words

## The right to die with dignity

**THE WRITERS of your article "Should there be a right to die?" (SW#32) must be congratulated for their compassionate and realistic approach.**

Advocates of voluntary euthanasia emphasise the word VOLUNTARY.

*Voluntary euthanasia is about the right to choose not to suffer when the disease process has won, death is certain and pain cannot be controlled without rendering the patient comatose.*

What we are seeking is legislation for medical assistance to die with dignity when, and only when,

the terminally ill patient requests it of their own free will.

Rod Lewer ("Euthanasia should remain banned", SW#33) should accept we are now in the 1990s. Never before in history have we lived so long or died so slowly, occasionally with horrifying symptoms.

**Surely it's preferable to have voluntary euthanasia with strict legislative safeguards than to continue to prohibit it officially while knowing it is carried out without controls.**

□ Fran O'Keefe-Jones  
HAMILTON



# Another budget for the wealthy

BY GRANT BROOKES

**THE COALITION budget presented by Treasurer Winston Peters was a slap in the face for people like us.**

**Last October, the majority voted against National and Act and their "more market" policies. Now, courtesy of NZ First's post-election romance with National, the budget reheats their rejected policies.**

It fails to address the crisis in health and education. It gives the green light to more privatisation. And it contains sinister threats about the "obligations" of those who've been forced onto benefits.

The business paper *National Business Review* called health and education "big winners" in the budget. In fact they're still big losers, just like they were under National.

## Health

The public health service gets \$300 million extra a year for the next three years. Take away the effects of inflation, and this means a miserly increase of about 2% per year.

This is nowhere near enough to make up for the fall in public health spending under National. Ministry of Health figures show that funding fell by 10% between 1989 and 1996.

**The additional money this year isn't even enough to cover existing debts of Crown Health Enterprises.**

Mental health services will remain unable to cope. Admissions to psychiatric hospitals rose dramatically in the two years after 1991 when National slashed benefits and passed the Contracts Act.

The Mason report summed up the views of 1,500 mental health workers and psychiatric survivors. It said that the mental health system needed another \$140 million per year.

Although the Coalition promised that the Mason report would be "fully funded and implemented",

the budget gave an increase of only \$13 million.

In the budget, Peters showed that his election promise to do away with the "profit motive" in health means nothing. He said: "We're shifting our hospitals away from a focus on profit towards one of service in a business-like fashion". This is just "focus on profit" in slippery language.

Peters' budget will mean working class people continuing to face waiting lists, cancelled surgery and escalating health insurance premiums. Mental health services will still be no more than an ambulance at the bottom of the cliff, if we're lucky.

The rich are the only ones with decent healthcare. This budget does nothing to change this. Their spending on private care for themselves now adds up to a quarter of all spending on health.

## Education

Our state education system is also in crisis. On the same day the budget was presented, a Ministry of Education report revealed that schools are now relying on private contributions for 11% of their running costs.

Without this private fundraising, schools would now be \$200m in debt.

Schools for the children of the rich, which can fundraise easily, are the only ones keeping their heads above water.

The budget did nothing to solve this crisis. The \$620 million total increase in funding over the next three years amounts to a measly 2% after inflation.

This won't even match the expected growth in school rolls. In reality, it's another cut, not an increase.

The budget delivers nothing at all to tertiary students, whose crippling debt just keeps getting bigger. The Coalition agreement's promise of a universal student allowance has long been forgotten.

## Tax cuts

Before the election, Peters was predicting economic growth of 3.4% for the year just ended. When it became clear that this was wildly optimistic, he cut his promised social spending by \$250 million.

In the budget, he predicted that the economy will grow by 4.2% next year. Few believe him this time around.

Peters said the government "wants" to announce "further increases" for health and education next year. If they're like this budget's "increases", they're decreases in real terms. But he won't break his promise to the rich. They will get tax cuts as planned next year.

Last year, National handed out a billion dollars in tax cuts. This

took money away from social spending which mainly benefits the working class. Around 70% of the tax cuts went to the top fifth of income earners. Next-to-nothing was returned to the bottom fifth.

The budget announced another round of state asset sales, flying in the face of massive public opposition to privatisation and breaking NZ First's election promises.

Government Property Services and Vehicle Testing are the first to be sold. Their new private owners will gouge extra profits by driving down wages and hiking up prices.

Peters indicated that more privatisations are in the pipeline.

When the government delivers a budget which slaps workers in the face, the only response is to slap them back.

## Stuff their 'code' of conduct

IN HIS budget speech, Winston Peters foreshadowed a new "code of conduct" to be imposed on beneficiaries.

This code hasn't yet been written. But statements from senior cabinet ministers show how menacing it will be.

Beneficiaries with children will have to obey strict rules as parents. Parents will have to ensure that "they attend school", warned Peters.

Social welfare minister Roger Sowry added that, if children wagged school or broke the law, parents would have to attend special "parenting courses".

Jim Bolger suggested other rules that parents will have to obey as well. He said that buying cigarettes with benefit money given for food was a violation of "social responsibility". Never mind that the stress of living in poverty is a major reason that some beneficiaries smoke.

The prime minister said that letting kids go to video game parlours was irresponsible. He wants to ban what he thinks is entertainment unsuitable for beneficiaries!

Beneficiaries without children will have to abide by severe new rules too. Peters declared that those who find it hard to make ends meet will be forced to "seek and follow budgetary advice". This means they won't be able to decide what they spend their money on.

"If you're a beneficiary, we have a very clear message for you," Peters declared. "We are going to get better out of you."

And he's made very ominous hints about just how he's going to

get "better" behaviour.

**Both he and Bolger have refused to rule out benefit deductions for people who break their new "rules".**

In a capitalist society, parents have the stresses of raising on their own the children who must go on to work for others. Workers are laid off to cut costs, and a permanent pool of "structural unemployment" keeps wages down. The threat of benefit cuts for those who don't "behave" is a big stick to beat the victims of the free market. The strategy behind the "code" is as old as capitalism itself.

It's an attempt to divide beneficiaries into the "deserving" and "undeserving" poor, just like the Victorian Poor Laws did.

Once the "undeserving" poor have been "identified" with the help of the "code", then they can be scapegoated for all the social ills that are really caused by the profit-driven marketplace.

If our rulers can get beneficiaries fighting each other, and if they can get workers looking down their noses at beneficiaries, then they can divide-and-rule us.

That's why Peters was full of divisive statement, like: "If you're acting in a responsible way, then we are your friend." But the budget and its "code" show that Peters' only friends are the wealthy bludgers who live a champagne lifestyle on the backs of the rest of us.

The only "code of conduct" followed by the undeserving rich is to grab more profits by kicking the working class harder.

BY FAR the largest state asset sold so far is Telecom. It shows all that's wrong with privatisation.

Since being privatised in 1987, Telecom's filthy rich shareholders have extracted *billions* of dollars in profits – all coming from the sale of services that Telecom workers perform.

Telecom's chief executive Rod Deane has just awarded himself a raise of \$300,000. He now pockets \$1.5 million a year in director's fees.

In return for creating all this wealth for a few, workers got job cuts, attacks on union rights and insultingly low pay rises.

Since privatisation, Telecom's directors have paid out over six times more to shareholders than they have paid to workers in wages.

There were 24,500 workers at Telecom in 1987. In 1997, the 8,700 remaining were told that up to 2,000 more would go.

According to the business paper *National Business Review*, Telecom has "aggressively tried to de-unionise the workforce".

It had to be dragged to court before it would give a day off in lieu to workers who worked statutory holidays.

Price rises for telecommunications services have been obscene. Between 1988 and 1995, the number of low-income homes unable to afford a telephone rose by nearly 50%.

A recent opinion poll showed that, ten years after privatisation, 59% felt Telecom should not have been sold. Only 37% agreed with the sale.

Other privatised companies have made similar attacks on workers.

Air New Zealand directors have paid themselves massive fees while cutting jobs and holding down wages. Last year Air NZ's chief executive, Jim McCrea, got a \$100,000 rise and a \$250,000 cash bonus.

Postbank and the BNZ have seen job cuts, branch closures and rocketing bank charges while posting huge profits for a handful of shareholders and directors.

The Coalition government wants more of this. Only workers' action will stop them.

## More asset sales ahead

THE PRIVATISATION of Government Property Services (GPS) and Vehicle Testing was announced in the budget.

GPS owns and manages 36 commercial buildings, mostly in Wellington, and has an estimated price of \$270 million. Vehicle Testing owns the network of 60 testing stations and is valued at \$6 million.

These aren't big privatisations. But they "condition" us to accept the further (and bigger) sales which the Coalition says are in the pipeline.

The Crown Company Monitoring Advisory Unit, which advises the government on privatisation, suggests that Solid Energy (formerly Coalcorp) should be next.

**Privatisation means that a handful of wealthy businesspeople get to line their pockets with profits and huge directors' fees while the rest of us suffer.**

Jobs are cut, wages are driven down, union rights are attacked and prices rise for the services we need.

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